



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution approving Lodi Adopt-A-Child's request for a \$100,000 loan from the City of Lodi

MEETING DATE: November 6, 2002

SUBMITTED BY: Janet S. Keeter, Deputy City Manager

RECOMMENDATION: That the City Council adopt a Resolution approving Lodi Adopt-A-Child's request for a \$100,000 loan from the City of Lodi.

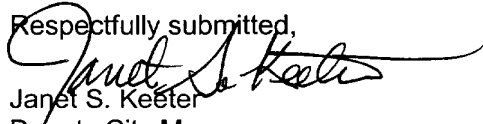
BACKGROUND INFORMATION: The City has received a request (see attached letter dated September 24, 2002) for a \$100,000 loan from the Lodi Adopt-A-Child's Wish Foundation. The Foundation has successfully raised \$100,000 thus far for their building renovation project and they anticipate raising an additional \$27,000 by year's end. However, they are not confident that they can immediately raise the balance of \$100,000 necessary to complete all three phases of the project.

The Foundation attempted to secure a loan from a local bank, yet was unsuccessful due to a lack of collateral, co-signers, or the City's willingness to hypothecate the property to guarantee the loan. As such the Foundation is requesting, that in order to complete their renovations to 100 E. Pine Street, that the City of Lodi loan \$100,000 to the Foundation. Proposed repayment terms include the following: 10 year term, interest only with principal reduction at maturity, \$10,000 annual principal reduction payment during the month of January.

As a reminder, the City of Lodi has granted to the Foundation a 10-year lease of the City-owned facility at 100 E. Pine Street, and has invested over \$105,000 in improvements to the building. Improvements included a new roof, asbestos removal, pest control clearance, structural evaluation and miscellaneous work.

Funding: General Fund – Fund Balance


Respectfully submitted,


Janet S. Keeter
Deputy City Manager

Attachment

cc: Dennis Lewis, Lodi Adopt-A-Child
City Attorney
Finance Director
Public Works Director

APPROVED: _____


H. Dixon Flynn -- City Manager



**Lodi Adopt-A-Child's
"Wish" Foundation**

www.adopt-achild.org/

P.O. Box 2479

Lodi, CA 95241

209-333-1056

*A California non-profit Corporation #2033564
Federal Identification No. 31-1580643*

SEP 25 2002
CITY MANAGER

Tuesday, September 24, 2002

**Dixon Flynn
City Manager
City of Lodi
221 West Pine Street
Lodi, CA 95240**

Dear Mr. Flynn,

Since beginning our fundraising efforts to repair 100 E. Pine Street, Lodi Adopt-A-Child has raised \$100,000 of the approximately \$227,000 needed to complete these repairs and we feel that we will be able to raise an additional \$27,000 by years end. However, raising the additional \$100,000 will pose a problem for us between now and the beginning of the New Year because of our efforts on behalf of over 1,800 children this Christmas. It is nearly impossible to request donations for the building at the same time as soliciting help to give Christmas Joy to nearly 2,000 Lodi Unified School District Children.

We have had hopes of securing a loan from a local bank but after several months we learned that without collateral, co-signers, or the willingness of The City of Lodi to hypothecate the property at 100 E. Pine to guarantee a loan of this amount the bank is unable to help us. Several requests for grants have been submitted and we did receive a \$4,000 donation from Mrs. Wishek as well as \$10,000 from Mr. Alegre in reply to our request. The vast majority of donations we have received to date however, have been in denominations of \$5.00 to \$1,000 from numerous residents within the City.

With our Christmas Program just beginning by means of the registration of children and their needed clothing item along with their special wish for Christmas, it is imperative that we begin the needed repairs of our new home immediately, and not wait for the proposed three phase plan over a five-year period for these repairs to be completed. The parking lot for this property is in the process of being repaired and the Rotary Club has volunteered to complete all exterior painting once our repair work is completed. Businesses such as Foster Lumber and Valley Paints have already donated material to

help repair this building and we currently have an open house, in partnership with the Lodi District Chamber of Commerce, slated for Tuesday, October 1st to showcase our need of donated materials. To this end, we have invited nearly 550 contractors, sub-contractors, businesses, and notable individuals to view our new home in the hope of receiving further donations of materials and/or funding.

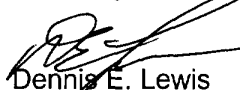
Recently, we learned that once our contractor begins work, all work by volunteers must cease because of liability issues. Although this is a sound business decision, it will not allow us to use volunteer labor to reduce the cost of this project as we had hoped. This will also delay the needed repairs to the building to make it functional and safe for our needs by mid-October when our Christmas Program is in full swing, as we will have to wait until the contractor completes each phase before we can begin our work with volunteers.

Since July, Lodi Adopt-A-Child has been vigorously pursuing other locations to hold our Pre-Christmas Program activities but we have been unable to find a suitable location for reasonable rent within our budget or a location that isn't too far outside the City Limits of Lodi.

The City of Lodi has graciously installed a new roof on the building and removed all asbestos containing material from the building as well as waived all building and permit fees for which we are very grateful. It is because the extent of help the City of Lodi has shown Lodi Adopt-A-Child that it is hard for us to once again ask the City of Lodi for assistance in the form of the attached \$100,000 loan request to complete the much needed repairs.

Your consideration of this unusual request is greatly appreciated and on behalf of the full Board of Directors for Lodi Adopt-A-Child I wish to thank you for all of your efforts on our behalf. Regardless of whether the City is able or willing to help us with this additional request.

Sincerely and in Service to Lodi,


Dennis E. Lewis
President/Founder

cc: Renovate-It Construction
Board of Directors, LAAC

Enclosure (1)



<http://www.adopt-achild.org>

The Lodi Adopt-A-Child Foundation
PO Box 2479
Lodi, CA 95241-2479
(209) 333-1056

California Corporation # 2033564
Federal Identification # 31-1580643



info@adopt-achild.org

Helping children one wish at a time

Loan Proposal

Request: \$100,000.00
Term: 10 years
Repayment: Interest only -- principal reduction at maturity
Type: Loan
Purpose: To repair 100 E. Pine St., Lodi, CA
Collateral: Unsecured

Purpose: Lodi-A-Child, Inc. is seeking a loan for the purpose of repairing the building located at 100 E. Pine St., Lodi, which will become the new Headquarters site of Lodi Adopt-A-Child for all sponsored programs. As you know, Lodi Adopt-A-Child has obtained a 10-year lease from the City of Lodi with an option to renew upon agreement with the City at the end of 10 years.

Terms of Repayment: Interest only, \$ 600.00 being the monthly repayment amount with an annual principal reduction payment of \$10,000 during the month of January.

Comments: Currently the repairs to 100 E. Pine St. are to be completed in 3 phases over a maximum 5-year period at a total cost of approximately \$227,000.00. Lodi Adopt-A-Child has raised \$100,000 of this amount and contemplates raising an additional \$27,000 by years end. This leaves \$100,000 for all of the repairs to the building to be completed in a timely manner for the entire building to be functional and safe.

It is the hope and desire of Lodi Adopt-A-Child to repay these funds in full within one to five years after construction is completed. When this building is repaired and painted it will represent the beginning of building improvements being performed on the Eastside near the historical Lodi Arch. It is the desire of Lodi Adopt-A-Child to begin these Eastside improvements in partnership with the City of Lodi.

RESOLUTION NO. 2002-_____

A RESOLUTION OF THE LODI CITY COUNCIL
APPROVING LODI ADOPT-A-CHILD REQUEST FOR
LOAN FROM THE CITY OF LODI

DRAFT

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WHEREAS, the City of Lodi has granted a 10-year lease of the City-owned facility located at 100 E. Pine Street to the Lodi Adopt-A-Child's Wish Foundation; and

WHEREAS, on September 24, 2002, the City received a request from Lodi-A-Adopt a Child's Wish Foundation for a \$100,000.00 loan from the City of Lodi to assist in the renovations to 100 E Pine Street; and

WHEREAS, the Foundation has successfully raised \$100,000.00 for their building renovation project and anticipate raising an additional \$27,000.00 by the end of 2002, and are confident that they can immediately raise the balance of \$100,000.00 necessary to complete all three phases of the project; and

WHEREAS, the proposed repayment terms include the following: 10 year term, interest only with principal reduction at maturity, \$10,000.00 annual principal reduction payment during the month of January.

WHEREAS, staff recommends approving Lodi Adopt-A-Child's request for a \$100,000.00 loan.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lodi does hereby approve the Lodi Adopt-A-Child's Wish Foundation request for a \$100,000.00 loan from the City of Lodi.

Dated: November 6, 2002

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I hereby certify that Resolution No. 2002-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 6, 2002, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

SUSAN J. BLACKSTON
City Clerk

2002-_____